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thought. In the discussion of value theories, which opens the book on distribution, and in theories of distribution, the references are mainly to the leading Austrians and to several American theorists, notably J. B. Clark and Irving Fisher. The treatment of theoretical points is in the main an eclectic one.

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*Kapitalzins und Preisbewegung.* By KARL ADLER. (Leipzig. Duncker und Humblot. 1913. Pp. 48. 1.20 M.)

This little essay is an interesting evidence of reaction within the Austrian school from the extreme subjective tendencies of the founders. Value is treated as originating in the combination of the two principles, the subjective and the objective, the former functioning in the realm of motivation, the latter in the field of physical causation. The flow of value, in its subjective aspect, is from the finished products to the means of production; in its objective aspect, the flow is in the reverse direction. Fact and circumstance determine in each particular case which influence shall predominate.

On this basis it is easy to reconstruct a modified productivity theory of interest, and this is the chief purpose of Dr. Adler. He presents (pp. 22 *et seq.*) a very ingenious criticism of Böhm-Bawerk's theory. It is his contention that of the three grounds of interest offered by Böhm-Bawerk, the two that alone have general validity—the technical superiority of present goods and the superiority of future over present in provision for wants—are essentially of a productivity character. The productivity character of the former no one will dispute. That the latter is of the same character can be denied only on the ground of an irrationally materialistic conception of return. A reasonable person is willing to pay interest on a loan that enables him to live until the harvest. Such a loan is a condition upon which the harvest depends, and is obviously to be regarded as productive. A rational person with a present income of \$1,000 and an income of \$10,000 assured in one year or two will borrow money for raising his present standard of living. The loan enables him to secure a surplus of utility: why then should we not class it as productive, and seek in the measure of superiority in utility an explanation of the interest rate essentially identical with the productivity explanation?

Dr. Adler proposes to amend the interest theory of Böhm-Bawerk so that it will read: "Interest rests primarily and chiefly

upon the superior productiveness of the roundabout production process (productivity); secondarily and incidentally, present goods are preferred to future goods quite without reference to their productivity" (pp. 24). Thus amended, the elements of the theory—according to Dr. Adler—are presented in their proper coördination.

It is needless to say that questions of such difficulty cannot be exhaustively treated in a monograph of forty-eight pages. Dr. Adler's treatment is merely suggestive, but the quality of his work is such that the student of economic theory will hope that at another time Dr. Adler may present his doctrine fully elaborated.

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#### NEW BOOKS

BARONE, E. *Principi di economica politica*. (Rome: Athenaeum. 1913. Pp. vii, 317. 7.50 l.)

DAVENPORT, H. J. *The economics of enterprise*. (New York: Macmillan. 1913. Pp. xvi, 544. \$2.25.)

To be reviewed.

DEFOURNY, M. *La méthode des sciences sociales*. (Louvain: Institut Supérieur de Philos. 1913. Pp. 64.)

VON DEGENFELD-SCHONBURG, F. *Die Lohntheorien von Adam Smith, Ricardo, J. S. Mill, und Marx*. (Munich: Duncker & Humblot. 1914. 3 M.)

HOAG, C. G. *A theory of interest*. (New York: Macmillan. 1914. Pp. xi, 228. \$1.50.)

To be reviewed.

MASON, A. B. *A primer of political economy in sixteen definitions and forty-one propositions*. (Chicago: McClurg. 1914. Pp. x, 101. 50c.)

MILLS, H. E. *Outlines of economics*. (Poughkeepsie, N. Y.: The author. 1913. Pp. 138.)

This little volume sets forth in topical outline the fundamental points of economic principles and is designed to serve as a basis for the first year's work. It is of the "quiz-compend" type, being primarily a summary, but not so completely as to exclude suggestions. It is fitted to supplement the ordinary texts as a guide to the student in his reading. On disputed points the attitude is impartial; settled points are set forth with concise, clear, definition. Fallacious interpretations are contrasted with correct ones.

D. C. B.

PERNET. *Pierre le Grand mercantiliste. Etude sommaire pour servir à l'histoire des doctrines économiques*. (Paris: Pichon & Durand-Auzias. 1913. Pp. 183. 5 fr.)